Form 3 160-5 UNITED STATES N.M. OIL CO (June 1990) DEPARTMENT OF THE INTERIOR P. 1980 BUREAU OF LAND MANAGEMENT Hobbs, NM 88245				FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 3 1 ,1993 5. Lease Designation and Seriai No. LC029405(a&b), LC060329
Do not use this fo	orm for proposals to dr	AND REPORTS ON WE Il or to deepen or reentry R PERMIT—" for such pro	to a different reservoir.	6. If Indian, Allonee or Tribe Name
	SUBM	IN TRIPLICATE		7. If Unit or CA, Agreement Designation
1. Type of Well Oil Gas Well Well	Other Commingle	Tank Battery		Elvis Battery 8. Well Name and No.
2. Name of Operator				Wells No. 1, 2, 3, & 4
•	CONOCO INC.			9. API Well No.
3. Address and Telephone				<u> 30 - 025 - 33584</u>
	10. Field and Pool, or Exploratory Area			
10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424 4. Location of Well (Footage. Sec., T. R. M. or Survey Description)				Devonian/Cisco
4. 2002 How of A Chi (199	Unit F, Sec. 20, T-17S, R-32E			
	on the loc 1780' 1	ntion of Elvis No. 1 at NL & 1980' FWL		Lea, NM
CHECK	APPROPRIATE BOX	(s) TO INDICATE NATU	RE OF NOTICE, REPOR	T, OR OTHER DATA
TYPE O	F SUBMISSION		TYPE OF ACTION	
	SUBJ	Abandonme Recompleti Plugging B Casing Rep Altering Ca Other_OI	on ack bair	Change of Plans New Construction Non-Routine Fracrunng Water Shut-Off Conversion to Injection Dispose Water Nole: Reponresultsof multiplecompitiononWdl Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Previous approval was granted for (by 4/22/97 Sundry) for off-lease storage and surface commingling of Devonian and Strawn production from Federal Lease Nos. LC-029405(a), LC-029405(b), and LC-060329. The single Strawn producer has since been recompleted to the Cisco formation. Therefore, amendment of this approval is requested to include Cisco production from these three leases as outlined in the attached application to the NMOCD.



14. I hereby certif that the for this is frug and correct	Jerry W. Hoover		0/20/07
Signed Signed	Title Sr. Conservation Coordinator	Date	9/30/97
(This space for Federal or State office use) (This space for Federal or State office use) Approved by Conditions of approval if any:	Title	Date _	00T 16 1997

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its junsdiction.

Midland Division Exploration Production

September 30, 1997

Mr. William LeMay Oil Conservation Division 2040 S. Pacheco Santa Fe, New Mexico 87804 Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

RECEIVED

017197

ROSYNLL, NM

Re: Request for Amendment of Off-Lease Storage and Surface Commingling Order PLC-132 to Include Cisco Production from Elvis Wells on Federal Lease Nos. LC-019405(a), LC-029405(b), and LC-060329

Dear Mr. LeMay:

Commingling Order PLC-132 was issued May 6, 1997 to allow off-lease storage and surface commingling of Devonian and Strawn production from three adjacent federal leases, Nos. LC-019405(a), LC-029405(b), and LC-060329. The single Strawn producer, the Elvis No. 4 well, has subsequently been recompleted to the Cisco formation. Therefore, amendment of the order is requested to include approval for off-lease storage and surface commingling for Cisco production from these three leases.

These leases, current wells, and their producing formations are identified on the EXHIBIT 1 map. While the Cisco has been tested only in well No. 4, there is the potential for additional Cisco development on all three leases.

EXHIBIT 2 contains anticipated producing rates, oil gravities, and revenues from current wells and illustrates that no revenue is expected to be lost from the sale of commingled fluids. EXHIBIT 3 is a facility diagram of the proposed battery and shows that each well and pool production will be metered separately before commingled in common storage.

EXHIBIT 4 is a list of the interest owners in all three leases identifying type of interest, name and address of owner, and the percent interest. Each of these parties were notified by certified mail of this application and their right to object to its approval. Copies of the certified mail receipts are included as EXHIBIT 5. Note that notification of the long list of Taubman Trusts was accomplished by notification of the agent, Everett D. Moran, who administers these trusts.

Prompt approval of this request will prevent undesirable delayed production from these leases as Cisco development is being evaluated. If I can answer further questions concerning this application please contact me at (915) 686-6548. Thank you.

Very truly yours,

/Jerry W. Hoover Sr. Conservation Coordinator

Conoco's Elvis Leases Lea County, New Mexico

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R32 E

Section 18	Elvis # Devon	Section 16 3 an Zone	
Section 19	Elvis # Cisco Zone Elvis #1 Devonian Zone Section 20	Section 21	T17S
Section 30	Section 29	Section 28	

Color Legend



Application to Surface Commingle Elvis Leases

Conoco Elvis Lease -- Federal Lease Code LC 029405 (a)

Well Name	Zone	BOPD	Deemed ADI		
Elvis #1	Devonian		Deemed API	\$/BO	Revenue/Day
Elvis #4	Cisco		40	\$17.75	\$8,875.00
		Expected = 320	40	\$17.75	\$5,680.00
Total		After Development = 820		\$17.75	
				<u> </u>	\$14,555.00

Conoco Elvis Lease -- Federal Lease Code LC 029405(b)

Well Name	Zone	BOPD	Deemed API	\$/BO	
Elvis #2	Devonian	Expected = 450	Beenica Art		Revenue/Day
Total			40	\$17.75	\$7,987.50
Total		After Development = 450		\$17 75	
				\	\$7,987.50

Conoco Elvis Lease -- Federal Lease Code LC 060329

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Well Name	Zone	BOPD	Deemed API	\$/BO	
Elvis #3	Devonian	Expected = 450		\$17.75	Revenue/Day
Total		After Development = 450	40	\$17.75	\$7,987.50
				\$17.75	\$7,987.50

Combined Elvis Lease Production After Development & Commingled

Well Name	Zone	Dopp			
Elvis #1		BOPD	Deemed API	\$/BO	Revenue/Day
	Devonian		40	\$17.75	\$8,875.00
Elvis #2	Devonian	Expected = 450	40		40,010.00
Elvis #3		Expected = 450		\$17.75	41,001.00
Elvis #4	Cisco	Expected = 320	40	\$17.75	\$7,987.50
Total	01300		40	\$17.75	\$5,680.00
		After Development = 1720		\$17.75	\$30,530.00
				<u> </u>	\$30,530.00

Daily Value of Production Uncommingled =	\$30,530.00
Daily Value of Production Commingled =	\$30,530.00



EXHIBIT 3



COMMINGLING ORDER PLC-132

Conoco, Inc. 10 Desta Drive, Suite 100 West Midland, Texas 79705-4500

Attention: Mr. Jerry Hoover

The above-named company is hereby authorized to commingle Maljamar Strawn (Oil -50350), and West Maljamar Devonian (Pool IDN not yet assigned) Pool production from the following leases:

Lease: Description:	Elvis Well Nos.1 and 4 (Federal Lease No.LC-029405-A) N/2 of Section 20, and,
Lease:	Elvis Well No.2 (Federal Lease No.LC-029405-B)
Description:	W/2, W/2 NE/4, W/2 SE/4 of Section 17, and,
Lease:	Elvis Well No.3 (Federal Lease No.LC-060329)
Description:	E/2 NE/4, E/2 SE/4 of Section 17,

all in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well prior to commingling

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

REMARKS: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

NOTE: The commingled production shall be stored in the Elvis Consolidated tank battery facility located in Unit Letter 'F' of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

NOTE: <u>Validation of this authority shall be accomplished with like approval by the U.S. Bureau of</u> Land Management.

DONE at Santa Fe, New Mexico, on this 6th day of May, 1997.

M J. LEMAY, Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs Bureau of Land Management - Carlsbad